

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Competitive Determination of Optimum Service Delivery Method

**Policy
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B-63

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Purpose

To establish a Board of Supervisors' Policy that the County's goals in providing a service, whatever the method of delivery, are quality, economy and productivity.

Background

In September, 1985, the Board of Supervisors initiated the Contracting/Competitive Bid Project. Phase I of the project was a comprehensive survey by an outside consultant of over seven hundred (700) County services for the purpose of identifying those County operated services having potential for contracting with the private sector.

A Cost Comparison Model was developed for use in (1) identifying avoidable cost in determining feasibility of contracting a particular service, and (2) comparing County costs with contractor costs for services being considered for contracting. Sixty-eight (68) services were identified as having potential for contracting; ten (10) of these were recommended for detailed analysis during Phase II of the project, also conducted by a consultant. In January, 1987, Phase II analysis was completed and RFP's were recommended for services identified as having potential for contracting.

Given (1) the departments' heightened awareness of the role of competitiveness when dealing with the issue of contracting, (2) the data base established in Phase I, (3) the analytical processes developed in Phase II, and (4) a consultant developed Procedures Manual for future analysis of services to determine optimum method of service delivery, the Contracting/Competitive Bid Project will be continued into Phase III and conducted within the framework of the following policy.

Policy

It is the policy of the Board of Supervisors that:

1. The County's goals in providing a service, whatever the method of service delivery, are quality, economy and productivity.
2. During the budget development process for each fiscal year, selected departments will be directed to analyze services, either County operated or contracted, to determine if the quality, economy and productivity are equal to that of an alternative delivery method, including other government agencies, and to determine how the revenues can be maximized so the highest level or volume of services can be provided. Government functions, functions inherently governmental in nature and not in competition with the

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private sector, and services which the County is legally and specifically prohibited from contracting, will not be considered for analysis.

3.Services to be analyzed must involve a minimum of five (5) staff years and \$500,000 direct cost.

4.All new services, services not currently provided by the County, will first be considered for contracting, the minimums in paragraph 3 not being applicable.

5.Whenever a service is considered for contracting, the department concerned will actively compete with the outside proposers by developing a proposal (or bid) in accordance with procedures prescribed by the Chief Administrative Officer.

6.In the case of County operated services contracted as a result of the foregoing analysis, some of the actual cost savings resulting from contracting may be allocated for use in other high priority areas as determined by the Chief Administrative Officer.

7.If contracted services are changed to County operated as a result of the analysis, the savings will be handled in the same manner as described in paragraph 6 above.

8.The impact of contracting on County employees will be minimized by:

- Requiring contractors, to the extent permitted by law and the particular circumstances of the service, to give first preference in hiring to displaced County employees.

- Departments' use of attrition where contracting is anticipated by holding positions vacant or filling them with temporary employees until a function can be contracted.

- Departments' use of transfers or reassignment within the department or to another department.

- Strict compliance with the County's layoff policy.

9.The Chief Administrative Officer will provide the necessary detailed guidance to ensure compliance with the foregoing.

Sunset Date

This policy will be reviewed for continuance by 12-31-94.

Board Action

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4-30-91 (32)

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